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CITRUS  
FCF 1-72  
March 1972

## THE MARKETING SITUATION FOR WINTER CITRUS IN EUROPE

Present estimates indicate a record citrus crop in the Mediterranean area for 1971-72, with most of the increase reported in oranges. This is also the fruit where, as the export season progresses, most of the problems are anticipated. The lemon crop is down from last year, and the strong demand for grapefruit easily can accommodate the small increase in the size of the crop. However the late maturing, record output of oranges and tangerines already has disrupted marketing, especially in the European Community (EC). This has necessitated, in some instances, withholding fruit from export because market prices were below the EC reference price level. With the large crop of late orange varieties now reaching the market place, the situation is not likely to improve in the near future.

In addition to the short-term outlook, certain developments, of particular concern to the U.S. citrus industry are threatening to change existing trade patterns. Tariff preferences for fresh citrus have been awarded by the EC to many major Mediterranean producers and discussions with others are underway. Thus far, citrus juices have not been included in the EC's preferential scheme. The imminent expansion of the EC and the varying rates of preference obtained by the exporting nations now have prompted renewed negotiations. Citrus producers are concerned about the integration of the more liberal import policies of the United Kingdom, Ireland, Norway and Denmark into the more protective EC system. This is of special concern to Israel which depends heavily on the UK market.



A more recent problem for the United States is the trend toward giving "developing countries" such as Brazil, Argentina and Israel duty free treatment for some of their products. For example, Sweden is allowing duty free imports of unsweetened citrus juice from a long list of countries including those mentioned above, provided they comply with certain procedural requirements. In 1970-71, Sweden was the largest European market for U.S. citrus juice and Israel and Brazil were the closest competitors.

It is difficult to assess the extent to which these trade agreements and tariff reductions will affect world citrus trade, but the problem for the United States is apparent. While Mediterranean producers are pressing for more favorable treatment from the EC, and "developing countries" are receiving various concessions, the United States remains one of the few major citrus suppliers excluded from every preferential system.

### U.S. Fresh and Processed Citrus Exports

Fresh citrus.--The 1970-71 winter marketing season was a poor one for U.S. citrus in Europe. The volume of oranges<sup>1/</sup> exported was the smallest since 1967-68, lemons the smallest since 1964-65 and grapefruit shipments the smallest since the mid-1950's. Total exports to all destinations during last year's winter marketing season were at virtually the same level as those of the previous year for all three types of fruit.

Prospects for shipping to Europe during the 1971-72 winter marketing period appear slightly more promising than they were last year. U.S. production of both oranges and grapefruit is close to last year's level while lemon output is about 5 percent greater. Aided by the late maturing crop in the Mediterranean basin, the United States was able to substantially increase shipments of oranges and lemons to Europe (mainly the EC) at the beginning of the season. Grapefruit also registered a gain over shipments during the previous season. It should be remembered, however, that these performances are being compared with 1970-71, a relatively poor year. EC tariff preferences, export subsidies, and lower transportation costs all favor the nearby Mediterranean suppliers. In view of the current heavy marketings of oranges and grapefruit from this area and the U.S. West Coast dock strike in January and February, it is doubtful that more than a modest gain in shipments to Europe will be evident at the end of the winter marketing period. The outlook appears most optimistic for lemons because of the smaller crop, especially of high quality fruit, in the Mediterranean area.

It is anticipated that total fresh citrus exports will increase in 1971-72, but the only significant change in trade patterns will take place in grapefruit exports. Canada and Hong Kong will continue to receive most of the winter

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<sup>1/</sup> Figures cited throughout this report are from unrounded data. The term "oranges" as used in this report includes tangerines unless otherwise indicated.

oranges, and Japan, Canada and France most of the lemons. While Canada will once again dominate the market for U.S. grapefruit exports, it is expected that the largest increase will be in Japan - where grapefruit imports were liberalized June 30, 1971. Past U.S. exports of fresh citrus are shown in table 3.

Processed citrus.--More frozen concentrated orange juice and grapefruit juice was exported in 1970-71 than in 1969-70, but shipments of other types of juice declined. Most of the increase was in the important European market.

The present outlook for 1971-72 indicates a supply-demand situation similar to that of last season. Domestic demand remains strong for both orange and grapefruit juice, yet no substantial change in the level of U.S. production from last year is expected. Processing activity in the Mediterranean area should again be at a high level in view of the record fresh fruit production. Therefore, supplies in the United States will be relatively tight, competition in Europe rather severe, and improvement on last year's performance difficult. Two factors which should strengthen the position of U.S. citrus juices in Europe, especially the concentrated products, are the success of the intensive market promotion program and the demand for the high quality U.S. product. U.S. exports of citrus juices during past seasons are summarized in table 4.

#### THE SITUATION FOR FRESH CITRUS IN AREAS COMPETING WITH THE UNITED STATES

##### Production Prospects for 1971-72

Oranges.--A total of 217.6 million boxes or oranges (including tangerines) --a new record by almost 10 million boxes--is forecast for the major countries in the Mediterranean Basin as listed in table 5. Present indications are for record production in Italy, and large crops in Spain, Israel, and Morocco. While total output is expected to be at a record level, quality of fruit in several countries is lower than normal.

Lemons.--After seven consecutive record crops in the Mediterranean area (see table 5), last year's production declined slightly, primarily because of a freeze in Spain. For the 1971-72 season these countries anticipate another decline, with a crop of 34.4 million boxes compared with 35.3 million last year. A drop of 1.3 million boxes in the Italian output is the major reason for the smaller Mediterranean crop.

Grapefruit.--Israel and Cyprus account for about 87 percent of the 1971-72 output of 14 million boxes expected by the major Mediterranean and Caribbean producers listed in table 5. The total for the group is only 400,000 boxes more than last season's record crop.

##### Export Prospects for 1971-72

Citrus, particularly late oranges, should be more plentiful in the European market during 1971-72 than it was last season. During 1970-71,



Spain's misfortune (series of freezes) was the key to success for most other countries. As a result, Israel and Morocco, the second and third leading exporters of oranges registered increases in revenue which would have been unlikely without the Spanish freeze. Italy was also able to capitalize on the situation by shipping more lemons than was expected, and the bouyant demand for grapefruit allowed record shipments from Israel and Cyprus at prices well above those of the preceding season. For most countries, the 1970-71 season was more profitable than 1969-70.

Oranges.--Record production at a level more than 11 million boxes above that of 1970-71 indicates the possibility of a substantial increase in shipments, but this is tempered by several factors. Later maturing crops have restricted exports. Of the three major exporting countries (Spain, Israel, Morocco), only Israel had shipped more oranges and tangerines through February than during the same period last season. This presents the problem of a large quantity of oranges being marketed during a short time span and will probably result in an increased amount being held for the late spring and early summer months. Despite a recovery in total production, Spain, by far the leading exporter, is still feeling the effects of last year's freeze, plus hail damage at the beginning of this season. Quality has been lowered, and the quantity which can meet export standards is less than anticipated as the season commenced. A similar problem has been reported by other countries. While this may lessen supplies, orderly marketing will be difficult during the late winter and early spring and will probably necessitate further withholding of fruit from export. This has already been the case when shipping to the EC, where Spain, Israel, Greece and Algeria have been penalized for allowing their fruit to be sold too cheaply. Spanish and Israeli oranges were assessed the full duty by the EC while a compensatory tax was levied on oranges from Algeria and Greece equal to the difference between the selling price and the specified reference price. The duration of these penalties varied. It is unlikely that exports of oranges and tangerines from the Mediterranean area countries as listed in table 6, will reach the potential indicated by the record output, but total shipments should exceed last season's shipments by a few million boxes. There also will be more competition from areas not included in the table, mainly Egypt and Gaza.

Lemons.--Italy supplies more than 60 percent of the lemons exported by the Mediterranean area countries listed in table 6. Last season, Italy filled the void left by the Spanish freeze, but this year both Spain and Turkey should have slightly more fruit available for export. Italy, Greece, Israel and Cyprus expect a decline in production, resulting in a shorter crop in total than last season, but a large one by historical standards. Supplies will be tighter, but there are enough lemons available to approach the 15.5 million boxes exported annually in the past 3 years. However, exports will reach this level only if Italy reduces domestic fresh consumption and processing of lemons.

Grapefruit.--Demand for grapefruit continues to be stronger than that of any major fruit in the citrus family, and Israel continues to dominate the market. Of the 7.6 million boxes exported in 1970-71 from the Mediterranean and Caribbean countries listed in table 6, Israel accounted for 82 percent and

Cyprus accounted for 16 percent. For 1971-72 Israel expects a slightly larger crop while Cyprus anticipates a 17 percent crop increase. Because a higher percentage of the Israeli crop is expected to be exported this season, total exports should easily set another record.

#### THE FRESH CITRUS SITUATION BY COUNTRIES

Cyprus. Estimates of citrus production for 1971-72 indicate another record season, with output of 284,500 metric tons, 10 percent above that of last year. Both the orange and grapefruit crops are larger, but lemons are expected to be in shorter supply. Grapefruit production has increased every year for more than a decade and is currently eight times greater than the 1960-61 crop.

Government controls and a scarcity of water for irrigation have limited new plantings, but the potential for substantial production expansion already exists in acreage not yet in production coupled with trees just beginning to bear fruit. This is especially true for valencia oranges and grapefruit. A recent report on crops under irrigation shows 35,400 acres planted to citrus trees in 1969, of which half were less than 5 years old, 27 percent between 5 and 10 years and 23 percent more than 10 years of age. By 1975, irrigated plantings are projected at about 43,000 acres.

Exports reflected production in 1970-71 totaling 204,300 metric tons, as all three kinds of fruit attained new records. The United Kingdom was the single most important market, receiving 35 percent of shipments followed by the Netherlands with 13 percent. In general the EC and other Western European countries increased their share of total exports while Eastern Europe's share declined. Processors in Greece, Italy, and the United Kingdom have shown an interest in purchasing lower quality fruit for processing, and are reportedly offering higher prices than the local processors.

Greece. The 1971-72 citrus crop is expected to be about 9 percent less than the previous year's crop and 13 percent below that of 1969-70. This decline is attributed mainly to a March 1971 frost in the orange producing areas. Lemon production is down only 2 percent. While lemon quality and sizes are about the same as those of last season, lower quality is reported for the orange harvest. Some long term quality-and yield-damaging developments in several major producing areas are gaining attention. These include: gradual spreading of serious nematode infestations; improper methods of fertilization; and inadequate drainage, with resulting water saturation of the root system. Comparing the total number of citrus trees as of December 31, 1970 and December 31, 1966 reveals significant growth only for sweet oranges:

	<u>Oranges</u> Million Trees	<u>Lemons</u> Million Trees	<u>Tangerines</u> Million Trees
1966	11.4	5.0	1.3
1970	13.6	4.9	1.4



During 1971 new plantings are expected to total about 500,000 trees. Part of the planting cost will be borne by the Government.

Despite a subsidy in 1970-71 for both the grower (up to \$10 per metric ton) and exporter (\$10 per ton), fresh orange exports fell 24 percent, reportedly because Greek oranges on the European markets did not receive the prices desired by exporters. Lemon exports remained at the same level. The export subsidy for oranges is expected to be continued and perhaps increased, but lemon prices have been above the levels necessary to qualify for a subsidy.

Israel. Last season's citrus crop was the largest on record--1.5 million metric tons, 22 percent above the 1969-70 crop and 18 percent more than the previous record. Favorable weather conditions rather than new bearing acreage were responsible for the tremendous increase. Yields were at an alltime high, but quality suffered at times from warm weather and hailstorms. The 1971-72 crop could approach last year's record output if weather conditions remain favorable.

Total exports reached a record 883,000 tons in 1970-71, only 8 percent more than 1969-70, despite the 22 percent increase in production. Higher export standards, most notably for Shamouti oranges, limited the volume exported, but resulted in substantial price increases. Also, the export premium for fresh citrus (IL 1.05 per U.S. dollar earned, f.o.b.) was in effect for the entire season. This premium, equal to 30 percent, is supposed to be a repayment of indirect taxes paid by producers and packers.

The decline in Shamouti orange exports last season has caused some concern among the industry, in view of the substantial increase in production. This variety comprises one-half of Israel's total fresh citrus exports, but in 1970-71, shipments declined 7 percent to 445,000 tons while production increased 11 percent. Mainly because of less competition later in the season, this loss was more than offset by a 45 percent jump in shipments of valencias. Nevertheless, only 61 percent of the Shamouti crop was exported compared with 74 percent in 1969-70 and most of the remainder had to be processed at an average price well below that received in the export market.

The freeze in Spain reduced both the quantity and quality of Spanish citrus available on European markets and allowed Israel to expand exports to several of Spain's traditional customers. The major one was West Germany, which became the number one importer of Israeli fruit in 1970-71, replacing the United Kingdom. Of particular significance was the continued growth in fresh grapefruit exports, especially to Italy. Shipments more than doubled the 1969-70 performance, making Italy the third most important grapefruit market. Efforts to find new markets and expand others continue. The Far Eastern area is receiving special attention with particular emphasis on the Japanese market. The first exports to Japan are expected next season. Based on trial shipments to Canada last season, the Citrus Marketing Board believes there is a market for Israeli grapefruit particularly in the spring.

Export prices increased sharply over the low level recorded in 1969-70, principally because of shorter supplies in most other Mediterranean countries. However, more rigid grading and changed selling techniques in the United



Kingdom and West Germany were partly responsible for the higher prices. In the United Kingdom auction sales in London, Hull, Liverpool, and Glasgow were discontinued and a system of direct pricing to agents was introduced. In Germany, sales at the Hamburg auction also were discontinued and a larger number of brokers have been employed to cover the country.

Gaza. Young plantations coming into production have pushed output steadily upward with the 1971-72 fresh citrus crop now estimated at 200,000 metric tons. During the 1970-71 season, when citrus production reached 126,000 tons, about 27,000 tons were exported by Gaza merchants directly, and about 73,000 tons were shipped by the Israeli Citrus Marketing Board. Valencias accounted for 63 percent of last year's crop followed by Shamoutis, 17 percent, and grapefruit, 14 percent.

Italy. Total fresh citrus output is forecast at almost 2.5 million metric tons for 1971-72, a record, but only slightly above last year's drought-reduced crop. Again this year, dry weather has affected production, although early fall rains substantially improved the situation. Of the anticipated crop, about 1.4 million tons are sweet oranges (63 percent blood-types), 310,000 tons tangerines, and 725,000 tons lemons. Although the total lemon crop is down from 1970-71, production of verdellis is 7 percent larger (143,000 tons). This is significant because the Italian verdelli crop is marketed during the spring and summer when U.S. exports of lemons to Europe are usually heaviest. Grapefruit production remains insignificant, about 1,200 tons in 1971-72. At the present time there is no reported planting surge to take advantage of the mushrooming demand. Thus far, Italian consumers have much preferred imported grapefruit. (Imports totalled 46,000 metric tons during fiscal 1970-71, twelve times the 1966-67 level).

The 1970-71 season was not especially noteworthy for Italian orange exporters. Even with a short supply of Spanish oranges strong domestic demand coupled with poor quality, undesirable varieties, and lack of organization, prevented an increase in Italian exports. In fact, orange exports declined about 29 percent although tangerine exports were up slightly. Despite the advantage of a protected EC market and the availability of an export subsidy, Italy has been unable to persuade European consumers to increase purchases of Italian citrus. However, lemon exporters were able to take advantage of the smaller Spanish crop especially during the summer months, and shipped slightly more than in the previous year. West Germany and Switzerland were the major markets for oranges in 1970-71, while West Germany and the USSR were the principal importers of lemons.

Export subsidies for shipments to non-EC countries are in effect again this season at the rate of 1.8 cents per pound for sweet oranges (raised to 2.7 cents per pound effective March 4, 1972), 1.8 cents for mandarins, and 0.65 cents for lemons. In addition, a "penetration premium" is available for shipments to other members of the EC. There are also EC-financed assistance programs available to growers willing to uproot their orchards, but they have had virtually no impact. Despite marketing difficulties, growers are still planting. The orange crop, as presently forecast, is expected to exceed demand, which may once again lead to surplus removal by the Government. Last season, reports indicated only a small volume of oranges was removed, but

during 1969-70 about 85,000 tons were withdrawn at a reported cost of \$7.5 million. Most were destroyed. A new plan to restructure the Italian citrus industry at a cost of approximately \$330 million was presented to the EC last year. Past programs have apparently had little success in changing the traditional Italian production and marketing customs.

Morocco. Citrus production in 1971-72 is forecast at 820,420 metric tons, 8 percent larger than that of last season and just below the record 1969-70 crop. Most of the increase is in valencia-type oranges which are marketed in competition with California oranges during the spring. Last season was one of the most profitable in several years for producers, mainly because of the Spanish freeze. The Office of Commercialization and Exportation (OCE) purchased fruit from producers at a fixed price based on fruit quality and timing of harvest, and then exported for its own account. Increased prices enabled this Government export monopoly to distribute additional revenue to producers. It is doubtful that 1971-72 will be as profitable, although total exports could increase slightly.

The area devoted to citrus remained at about 150,000 acres and no rapid expansion is foreseen. There are, however, efforts underway to shift production away from less popular export varieties. New citrus plantings can be made only on authority from the Ministry of Agriculture and then only in areas approved by the Ministry.

Exports of citrus declined to about 585,000 metric tons from 619,000 tons in 1969-70. France easily remained the major Moroccan market, taking one-third of sweet orange exports and 47 percent of the tangerines.

Spain. The series of freezes in Spain during the 1970-71 season made orderly marketing of Mediterranean citrus, especially oranges, far easier than was originally expected. Few areas in Spain escaped damage which not only affected the fruit, but many trees as well. The preseason estimate of the Spanish Fruit and Vegetable Syndicate (2.4 million metric tons) was reduced by at least 250,000 tons. Quality also suffered, resulting in a diversion of fruit to less desirable outlets. For example, an estimated 55,000 tons were sold as cattle feed and a record volume was processed. Despite freeze damage, accentuated by a fairly dry summer, the crop in 1971-72 is expected to be a large one, perhaps as much as 2.3 million tons. However, fruit quality and sizes are such that exportable fruit may be less than the crop size indicates, with navels and other early varieties less plentiful than last season. A recent census disclosed that 426,000 acres were planted to citrus with just under one-half in full production, 27 percent semiproductive and 24 percent less than 7 years old. New plantings have declined recently, and under a Decree of the Ministry of Agriculture, future plantings will require prior authorization. Other regulations were established, but criticism from growers and trade spokesmen has delayed their implementation. Perhaps of more significance was the establishment of the National Citrus Board which will direct the application or enforcement of new regulations. Since it shows some of the characteristics of a marketing board, it could have a significant effect on the future of the citrus industry.



Exports of citrus in 1970-71 declined to 1.2 million metric tons from over 1.5 million during 1969-70. Lemon exports were down 43 percent, grapefruit 38 percent, oranges 26 percent, but tangerines, marketed largely before the first freeze, registered a modest 5 percent increase. The EC dominated the export picture, receiving 79 percent of all shipments. The United Kingdom accounted for 9 percent. No significant changes are anticipated during the coming season. Efforts to expand Spanish citrus exports will continue to be directed toward the EC. A more favorable preferential agreement is being sought, spearheaded by a permanent delegation in Brussels, to represent Spanish Citrus growers before the EC. Advertising and promotional activities remain at low levels, but stricter quality-control measures will be implemented in an effort to provide more orderly marketing.

Turkey. More trees of bearing age plus favorable weather conditions indicate a substantial increase in production for 1971-72. Lemons, estimated at 4.4 million boxes, are expected to exceed last season's output by 19 percent, and the tangerine crop, at 2.5 million, is expected to be up 15 percent. The sweet orange crop, at 15 million boxes, is 7 percent larger than that of last season, but only a small amount is exported, mainly to the USSR and East Europe. Exports of tangerines totaled 686,000 boxes, slightly below the 1969-70 level, while lemon shipments reached 1 million boxes, double the previous season's export. West Germany is Turkey's principal market for lemons by a wide margin, but large quantities are shipped to several East European nations.

An agreement was concluded between Turkey and the World Bank in March 1971 for a \$25 million loan to be used for the improvement of Turkey's citrus industry. The loan is to be utilized for financing new orchards, technical aid, packing plants, cold storage units, and transportation facilities. Apparently once operations are underway lemons will be a primary target.

## THE SITUATION FOR CITRUS PROCESSING IN AREAS COMPETING WITH THE UNITED STATES

### Utilization Patterns and Prospects

The processing industries in the major countries of the Mediterranean area utilized more citrus during the 1970-71 season than the previous one, despite an overall reduction in fresh fruit production. The most significant increase was evident in Israel, the major exporter of citrus products in the area, as record fresh fruit output and a higher percentage of culls provided the processing industry with more raw material than ever before. A smaller Italian crop and relatively strong domestic demand reduced processing activity in that country, but in Spain, freeze damage provided more fruit for processing from a smaller crop.

The current situation for 1971-72 indicates another high level of processing activity especially for oranges. Israel, Italy, and Spain all have large crops and are expected to face stiff competition in the fresh fruit markets of Europe. Diverting large quantities of fruit to the processors may be the only solution, but will not be welcomed by the growers, since prices received are much lower than those for fruit on the fresh market. A second large pack in a row may present more severe marketing problems than have generally been encountered. Grapefruit juice continues to benefit from strong demand in virtually all markets, but exporters are less optimistic about orange juice. Although the market for orange juice is larger, more countries are competing for a share. Also, Mediterranean growers are demanding higher prices for their fruit. It appears that subsidization, currently being utilized as an increasingly important marketing tool by virtually all major Mediterranean countries, will continue to flourish.

Table 1.--Citrus fruit: Quantity produced and processed, and percent processed, by variety and country, 1969-70 and 1970-71

Variety and country	1969-70			1970-71		
			Share			Share
	Produced	Processed	Processed	Produced	Processed	Processed
	: 1,000 : metric : tons	: 1,000 : metric : tons	: : Percent	: 1,000 : metric : tons	: 1,000 : metric : tons	: : Percent
Oranges & tangerines:						
Greece.....	463.0	1/112.0	24	394.3	1/84.0	21
Israel.....	907.2	233.3	26	1,091.0	393.5	36
Italy.....	1,668.7	438.0	26	1,599.4	370.0	23
Morocco.....	818.8	60.0	7	752.8	71.0	9
Spain.....	2,135.2	212.5	10	2,004.7	245.0	12
Total.....	5,992.9	1,055.8	18	5,842.2	1,163.5	20
United States..	7,658.6	5,794.3	76	7,901.7	6,042.9	76
Lemons:						
Greece.....	116.5	26.0	22	135.2	26.0	19
Israel.....	35.5	7.2	20	40.7	12.3	30
Italy.....	779.3	160.0	21	769.6	180.0	23
Spain.....	127.4	6.0	5	88.2	8.0	9
Total.....	1,058.7	199.2	19	1,033.7	226.3	22
United States..	535.2	212.3	40	574.3	236.8	41
Grapefruit:						
Cyprus.....	49.5	6.1	12	61.0	9.3	15
Israel.....	279.2	83.0	30	364.4	114.0	31
Spain.....	6.9	2.5	36	6.8	2.5	37
Total.....	335.6	91.6	27	432.2	125.8	29
United States..	1,984.0	1,121.3	57	2,247.1	1,348.1	60

1/ Includes oranges only.



## THE PROCESSED CITRUS SITUATION BY COUNTRIES

Greece. Lower fresh orange production in 1970-71 drove the amount processed down to about 84,000 metric tons from 112,000 tons in 1969-70. Lemon processing remained at the 26,000 ton level with a lemon juice pack of about 7,600 tons. Orange juice output reportedly totaled 45,000 tons (single-strength equivalent) of which two-thirds was hot-pack concentrate and the remainder single strength. This compares with a total of 57,000 tons in 1969-70. Of particular significance is the emerging importance of grapefruit juice. Although domestic grapefruit production is small, imports of fresh fruit for processing have enabled Greece to gain recent prominence as a supplier to major markets such as France and West Germany.

No expansion of existing facilities has been reported, but the Government is partially financing the construction of the first plant to produce frozen concentrate.

In 1970-71, oranges for processing were subsidized up to \$6.66 per ton at the grower level--the same as the previous season--but no subsidies were paid to lemon growers. Exports of citrus juice, most of which contain added sugar, are eligible for the general subsidy applicable to most processed items. This ranges between 12 and 24 percent of the f.o.b. prices depending on the added value due to processing.

Israel. Israel nearly surpassed Italy as the leading processor in the Mediterranean Basin in 1970-71, as processors received 533,000 metric tons of citrus, the largest quantity ever supplied them. (In addition, about 13,000 tons from Gaza were processed). Record fresh fruit production plus variable quality necessitated more stringent export standards to avoid flooding the European market. This resulted in 36 percent of the crop being processed versus only 26 percent in 1969-70. Although Israel produces a full line of citrus products and is one of the world's leading exporters, detailed production statistics are not available. The exceptionally large pack caused heavier-than-normal stocks to build up during 1970-71 but usually more than 90 percent of the pack is exported. This makes a rough approximation of production possible.

As shown in table 2 on the following page, exports of most major products, on a fiscal year basis increased substantially. While the United Kingdom remains the largest customer for Israeli citrus products, the portion of the total received by the U.K. has declined from about 48 percent in 1968 to under 40 in 1970. West Germany was the second leading market with 12 percent of the exports in each of the past 3 years.

Table 2.--Israel: Citrus exports, by product,  
fiscal years 1969-71

Commodity	1968-69	1969-70	1970-71
	Metric tons	Metric tons	Metric tons
Grapefruit segments.....	15,427	18,297	23,517
Natural orange juice (unsweetened)....	29,900	34,581	41,888
Natural grapefruit juice (unsweetened)	17,722	15,282	20,322
Conc. orange juice (unsweetened).....	9,296	7,412	18,863
Conc. grapefruit juice (unsweetened)...	798	771	1,064
Orange juice, sugar added up to 5%....	12,098	13,339	13,302
Grapefruit juice, sugar added up to 5%	10,214	8,793	7,504

Juice processors paid \$21.30 to \$24.70 per metric ton (delivered) for oranges and grapefruit. In addition, the grower received the usual government subsidy of \$2 per ton. Citrus for juice (excluding grapefruit) also received a special grant in 1970-71 totaling \$4.90 per ton, half was a Government subsidy and half was from an internal equalization fund of the Citrus Marketing Board. The export premium (I £ 1.05 per U.S. dollar earned, f.o.b.) was granted again during the 1970-71 season.

Italy. The Italian processing complex, largest in the Mediterranean Basin in terms of fruit utilized, received an estimated 550,000 metric tons of fresh citrus during the 1970-71 season, compared with nearly 600,000 tons the previous year. High prices for oranges on the fresh market reduced the amount entering the processing industry. However, high prices for lemon oil diverted some lemons from fresh market channels to processors. Lemons are generally processed by small family operations located primarily in Sicily, in contrast to oranges which are processed in larger more modern plants.

Like other Mediterranean processing countries, production statistics are incomplete, but it is estimated that 72,000 metric tons of orange juice (mostly concentrates) and 49,500 tons of lemon juice were produced in Calendar Year 1970. About 10,000 tons of orange juice and 15,000 tons of lemon juice were exported (concentrate and single-strength combined) principally to West Germany and the United Kingdom. During CY 1971 shipments of orange juice were well below the previous year's shipments and lemon juice about even. The beverage industry utilizes virtually all juice not exported. Domestic consumption of prepared juices, although slowly growing, remains small. Products such as orangeade and lemonade currently are far more popular.

Export subsidies remain in affect for shipments of juice to all non-EC countries. The amount is approximately 5.1 cents per pound (6,500 lire per 100 kilos) for orange juice based on a 6-to-1 concentration and approximately 1.4 cents per pound (1,840 lire per 100 kilos) for lemon juice based on a 4-to-1 concentrate. Subsidies for both juices are adjusted for other concentrations.



Table 3.--Citrus fruit, fresh: U.S. exports by area  
of destination, winter marketing season,  
1960-70 1/

Item and season	Canada	Europe					Other	Total
		United Kingdom	Common Market <u>2/</u>	Scandi- navia <u>3/</u>	Other	Total		
	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>	1,000 boxes <u>4/</u>
Oranges:								
1960.....	1,967	2	27	40	---	69	398	2,434
1961.....	2,115	5	62	5	4	76	406	2,597
1962.....	1,610	8	17	1	121	147	326	2,083
1963.....	2,404	1	41	45	1	88	596	3,088
1964.....	2,153	25	172	62	2	261	408	2,822
1965.....	2,692	51	379	110	163	703	831	4,226
1966.....	3,053	68	280	85	446	879	632	4,564
1967.....	2,199	1	7	3	1	12	471	2,682
1968.....	2,726	15	402	25	7	449	737	3,912
1969.....	2,835	7	138	68	2	215	938	3,988
1970.....	2,920	11	96	19	1	127	918	3,965
Lemons: <u>5/</u>								
1960.....	191	101	587	90	24	802	89	1,082
1961.....	195	114	689	79	15	897	112	1,204
1962.....	204	31	259	58	5	353	111	668
1963.....	206	23	386	88	4	501	136	843
1964.....	201	14	213	71	5	303	258	762
1965.....	200	36	582	119	5	742	410	1,352
1966.....	211	23	531	104	4	662	475	1,348
1967.....	208	17	353	130	3	503	610	1,321
1968.....	242	15	392	110	2	519	620	1,381
1969.....	203	14	432	113	6	565	762	1,530
1970.....	219	8	276	88	---	372	972	1,563
Grapefruit:								
1960.....	1,232	79	293	40	9	421	30	1,683
1961.....	1,343	89	424	57	7	577	22	1,942
1962.....	1,029	18	335	31	7	391	15	1,435
1963.....	1,179	17	291	58	6	372	26	1,577
1964.....	1,198	15	342	60	8	425	21	1,644
1965.....	1,347	12	342	84	6	444	23	1,814
1966.....	1,881	21	362	48	18	449	25	2,355
1967.....	1,442	3	254	52	2	311	29	1,782
1968.....	1,885	8	211	26	2	247	37	2,169
1969.....	1,856	2	237	26	3	268	55	2,179
1970.....	1,831	9	211	9	2	231	61	2,123

1/ Winter marketing season: oranges and lemons, Nov. 1 - Apr. 30; grapefruit, Sept. 1 - Apr. 30.

2/ Belgium, France, Italy, Luxembourg, Netherlands, and West Germany.

3/ Denmark, Finland, Norway, and Sweden.

4/ Box weights: oranges, 70 pounds; lemons, 76 pounds; grapefruit, 80 pounds.

5/ Including limes.

Table 4.--Citrus juices: U.S. exports by area,  
of destination, seasons 1960-70 1/

Item and season	Canada	Europe				Total	Other	Total
		United Kingdom	Common Market <u>2/</u>	Scandi- navia <u>3/</u>	Other			
	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons
<u>Single-strength juice</u>								
Orange:								
1960.....	5,555	59	185	196	45	485	507	6,547
1961.....	6,225	132	1,193	534	114	1,973	672	8,870
1962.....	5,235	100	456	176	47	779	404	6,418
1963.....	3,232	5	137	61	17	220	432	3,884
1964.....	3,901	7	79	92	16	194	375	4,470
1965.....	5,194	10	237	245	101	593	484	6,271
1966.....	6,321	198	2,589	1,085	261	4,133	652	11,106
1967.....	5,455	29	3,740	2,338	934	7,041	690	13,186
1968.....	4,337	14	2,034	1,613	602	4,263	683	9,283
1969.....	4,781	80	2,987	2,720	741	6,528	825	12,134
1970.....	5,017	137	3,015	1,461	661	5,274	640	10,931
Grapefruit:								
1960.....	3,302	594	1,663	141	97	2,495	202	5,999
1961.....	3,266	960	2,527	199	168	3,854	240	7,360
1962.....	2,883	560	1,770	127	132	2,589	159	5,631
1963.....	1,855	128	490	53	71	742	160	2,757
1964.....	1,880	231	1,692	106	63	2,092	214	4,186
1965.....	2,028	29	668	90	59	846	235	3,109
1966.....	2,233	235	1,968	184	558	2,945	180	5,358
1967.....	2,344	6	1,476	195	247	1,924	204	4,472
1968.....	3,066	5	1,524	143	267	1,939	221	5,226
1969.....	3,448	50	1,303	105	134	1,592	1,009	6,049
1970.....	3,182	136	1,291	73	156	1,656	281	5,119
<u>Orange concentrate</u>								
Hot pack:								
1960.....	234	---	447	67	41	555	214	1,003
1961.....	176	---	494	59	65	618	354	1,148
1962.....	200	---	384	30	55	469	313	982
1963.....	235	---	254	24	70	348	382	965
1964.....	162	---	203	33	104	340	392	894
1965.....	144	---	336	21	89	446	252	842
1966.....	139	---	362	81	117	560	259	958
1967.....	122	---	278	39	98	415	187	724
1968.....	115	---	315	42	113	470	185	770
1969.....	157	81	688	157	179	1,105	378	1,640
1970.....	111	47	616	240	147	1,050	256	1,417

See footnotes at end of table.



Table 4.--Citrus juices: U.S. exports by area  
of destination, seasons 1960-70 1/--Continued

Item and season	Canada	Europe					Other	Total
		United Kingdom	Common Market <u>2</u> /	Scandi- navia <u>3</u> /	Other	Total		
	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons
<u>Orange</u> <u>concentrate</u>								
Frozen:								
1960.....	3,364	5	628	42	26	701	137	4,202
1961.....	3,918	3	714	84	64	865	122	4,905
1962.....	2,741	---	628	68	65	761	100	3,602
1963.....	2,163	3	80	79	41	203	98	2,464
1964.....	2,400	57	132	80	33	302	105	2,807
1965.....	2,264	246	291	74	42	653	143	3,060
1966.....	2,942	487	573	122	93	1,275	201	4,418
1967.....	2,804	440	533	191	81	1,245	177	4,226
1968.....	2,919	377	379	248	111	1,115	193	4,227
1969.....	3,552	505	945	513	99	2,062	202	5,816
1970.....	3,836	526	719	2,329	95	3,669	203	7,708
<u>Grapefruit</u> <u>concentrate</u>								
Hot pack:								
1960.....	42	---	49	16	18	83	147	272
1961.....	19	3	37	22	52	114	40	173
1962.....	6	2	56	22	28	108	24	138
1963.....	18	1	21	33	85	140	27	185
1964.....	48	2	46	26	34	108	36	192
1965.....	24	2	40	8	74	124	17	165
1966.....	11	1	27	15	81	124	18	153
1967.....	24	---	26	29	92	147	17	188
1968.....	55	---	38	13	93	144	7	206
1969.....	87	2	77	22	107	208	65	360
1970.....	25	22	58	26	91	197	54	276
Frozen:								
1960.....	139	2	9	6	---	17	37	193
1961.....	147	---	78	13	2	93	24	264
1962.....	164	---	4	3	1	8	21	193
1963.....	157	---	8	1	2	11	13	181
1964.....	155	2	6	---	3	11	35	201
1965.....	183	---	6	1	2	9	59	251
1966.....	207	3	9	2	3	17	60	284
1967.....	225	70	4	---	5	79	51	355
1968.....	429	61	38	10	37	146	153	728
1969.....	446	64	158	4	19	245	222	913
1970.....	404	116	177	53	14	360	188	952

1/ Nov. 1 - Oct. 31.

2/ Belgium, France, Italy, Luxembourg, Netherlands, and West Germany.

3/ Denmark, Finland, Norway, and Sweden.

Table 5.--Citrus fruits: Production in principal countries  
competing with the United States in Europe,  
seasons 1967-71

Variety and country	1967-68	1968-69	1969-70	1970-71	Estimated 1971-72
	Million boxes 1/	Million boxes 1/	Million boxes 1/	Million boxes 1/	Million boxes 1/
Oranges and tangerines:					
Algeria.....	13.0	14.8	13.9	14.0	14.5
Cyprus.....	2.7	3.5	3.2	5.3	6.1
Greece.....	6.6	11.2	14.6	13.3	11.8
Israel.....	29.9	26.6	28.6	34.4	34.0
Italy.....	45.1	52.8	52.6	50.4	54.8
Morocco.....	24.4	22.7	25.8	23.7	25.7
Spain.....	65.4	54.5	67.2	63.1	68.6
Tunisia.....	2.0	2.6	2.1	2.0	2.1
Total, 8 countries...	189.1	188.7	208.0	206.2	217.6
Lemons:					
Italy:					
Winter.....	15.4	19.0	18.7	18.4	16.9
Summer.....	4.0	4.4	3.9	3.9	4.1
Total	19.4	23.4	22.6	22.3	21.0
Algeria.....	.4	.5	.4	.4	.4
Cyprus.....	.6	.7	.5	.9	.6
Greece.....	2.7	2.0	3.4	3.9	3.8
Israel.....	1.2	.9	1.0	1.2	1.0
Morocco.....	.1	.1	.1	.1	.1
Spain.....	3.2	2.3	3.7	2.6	2.8
Tunisia.....	.3	.4	.2	.2	.3
Turkey.....	2.6	3.8	3.5	3.7	4.4
Total, 9 countries...	30.5	34.1	35.4	35.3	34.4
Grapefruit:					
Algeria.....	.14	.13	.12	.13	.14
British Honduras.....	.23	.28	.26	.38	.40
Cyprus.....	.99	1.17	1.37	1.68	1.96
Israel.....	7.33	7.13	7.69	10.04	10.20
Jamaica.....	.70	.73	.52	.64	.56
Morocco.....	.41	.35	.22	.15	.09
Spain.....	.17	.18	.19	.19	.17
Trinidad and Tobago.....	.50	.47	.49	.42	.50
Total, 8 countries...	10.47	10.44	10.86	13.63	14.02

1/ Weight of boxes: Oranges, 70 pounds; lemons, 76 pounds; grapefruit, 80 pounds.



Table 6.--Citrus fruits: Exports to Europe, and the USSR,  
from principal countries competing with the United States,  
1966-70

Variety and country of origin	1966-67	1967-68	1968-69	1969-70	1970-71
	Million boxes <sup>1/</sup>	Million boxes <sup>1/</sup>	Million boxes <sup>1/</sup>	Million boxes <sup>1/</sup>	Million boxes <sup>1/</sup>
Oranges and tangerines:					
Algeria.....	4.4	4.5	5.6	4.4	4.5
Cyprus.....	1.8	2.2	2.8	2.3	4.2
Greece.....	2.8	2.3	4.0	4.0	3.1
Israel.....	16.4	17.8	16.5	18.4	19.0
Italy.....	5.8	5.3	6.5	6.2	4.5
Morocco.....	16.1	18.9	16.7	19.4	18.4
Spain.....	39.0	32.0	34.3	45.8	36.5
Tunisia.....	1.4	0.8	1.1	0.8	0.7
Total, 8 countries...	87.7	83.8	87.5	101.3	90.9
Lemons:					
Italy:					
Winter.....	6.8	7.7	9.3	7.4	7.5
Summer <sup>2/</sup> .....	2.2	2.2	2.9	2.2	2.4
Total.....	9.0	9.9	12.2	9.6	9.9
Cyprus.....	.3	.5	.6	.4	.7
Greece.....	1.7	1.2	.6	1.7	1.7
Israel.....	.5	.6	.4	.6	.6
Morocco.....	.1	.1	( <sup>3/</sup> )	( <sup>3/</sup> )	( <sup>3/</sup> )
Spain.....	1.2	.9	.7	2.7	1.5
Tunisia.....	.2	.1	.1	( <sup>3/</sup> )	.1
Turkey.....	.5	.6	.9	.5	1.0
Total, 8 countries...	13.5	13.9	15.5	15.5	15.5
Grapefruit:					
Algeria.....	.03	.04	.02	.02	.02
Cyprus.....	.74	.81	.93	1.02	1.24
Israel.....	3.51	4.29	3.85	5.11	6.29
Jamaica.....	.05	.05	.03	.02	.02
Morocco.....	.12	.08	.03	.04	.01
Spain.....	.09	.08	.08	.06	.04
Trinidad and Tobago....	.13	.06	.04	.03	.02
Total, 7 countries...	4.67	5.41	4.98	6.30	7.64

<sup>1/</sup> Weight of boxes in pounds: oranges, 70; lemons, 76; grapefruit, 80.

<sup>2/</sup> June-September.

(Includes an unknown quantity of winter lemons.)

<sup>3/</sup> Negligible

Spain. Processing activity accelerated somewhat in 1970-71, aided by a Government subsidy and the availability of freeze-damaged fruit. About 256,000 metric tons of citrus, 92 percent oranges, were processed. Of this total 140,000 tons were subsidized. Prices paid by processors for subsidized fruit ranged between U.S. 0.8-1.4 cents per pound, and the government paid 0.8 cents to the grower. Relatively inexpensive fruit was available last season, but processor complaints remain the same--poor juice yields and raw fruit prices above those in nearby competing countries. Despite producing and exporting more fresh oranges than any other Mediterranean country, Spain's processing industry operates at less than half its capacity. Output of citrus juice established another record, but only totaled 44,500 tons (single-strength and concentrate combined), 19 percent above 1969-70. Impressive gains were registered by canned orange and mandarin sections, where production during 1970-71 more than doubled to 10,500 metric tons. There is little evidence to indicate a substantial change in Spain's importance as a producer or exporter of citrus juice.

Jamaica. Fresh citrus production recovered somewhat in 1970-71 but the period of drought which existed in 1968 and 1969 is still influencing production. When combined with adverse weather conditions early in the 1971-72 season, the availability of both oranges and grapefruit for processing and fresh export is expected to decline this year. Rapidly growing domestic demand also is restricting the volume of fruit processed. Once again, processing plants operated at less than 50 percent capacity during the 1970-71 and little change is anticipated this season.

The expansion program designed to increase citrus area by 12,500 acres over a 5-year period has begun. It is hoped that in 10 years these new trees will produce about 1.5 million boxes of grapefruit (80 pounds each), and 3.5 million boxes of oranges (90 pounds each).

Exports of canned fruit, mainly grapefruit, during 1970 slipped to 10,100 metric tons from 10,480 tons in 1969. Juice exports fell to 1.6 million gallons from 2.2 million. As in previous years, the United Kingdom took all of the canned fruit and most of the juice.

Trinidad and Tobago. Production of both fresh grapefruit and oranges during 1970-71 was the lowest in many years, and despite the fact that some fruit was diverted from the fresh market, the output of most processed citrus products declined. Another problem was the lack of adequate labor for harvesting which caused some fruit loss. Larger fresh fruit crops during 1971-72 should enable Trinidad and Tobago to increase their participation in the international market. Exports last season totaled 125,891 cases of grapefruit segments, 734,000 gallons of grapefruit juice, and 581,000 gallons of orange juice. Most went to the United Kingdom.

About 1,500 metric tons of limes were processed in CY 1970 into 119,000 gallons of lime juice and 11,150 pounds of oil. The Cooperative Citrus Growers Association is negotiating to take over the only lime processing plant, and has already received Government approval to purchase the citrus pulp processing plant. In addition, an extension, which would increase the capacity of the citrus segments plant by 40 percent, is virtually complete. The major problem



continues to be the declining availability of fresh fruit. No significant newly planted acreage was reported during the past season, but about 10,000 orange and grapefruit trees were sold (at cost) for replacing old trees. A shortage of credit plus the unwillingness of growers to destroy old trees because of the lost revenue until young trees come into production has restricted development. Since much of the existing 15,000 acres of bearing grapefruit and orange trees are poorly managed, efforts of the Government and the Citrus Association are concentrated on cultural practices.

Japan. Canned Satsuma orange production, by far the largest fruit item packed in Japan, is expected to be 9 million to 9.5 million cases (48/11 oz. cans) during 1971-72. This compares with 11.3 million cases last season and 11.5 million in 1969-70 and is the smallest pack in several years. While the fresh Satsuma crop is down 6 percent from last year's record, output is still exceptionally large (75.6 million boxes). The primary reasons given for the anticipated drop in the canned Satsuma pack are an unusually large carryover and the uncertainty of the export market caused by the monetary situation. Even before the international crisis, however, efforts to increase exports were not successful, and domestic sales were tempered by the "cyclamate problem". In view of this situation, the industry has decided to carry out a market promotion program, both domestically and abroad, with funds of up to 1 million dollars. Exports totaled 66,397 metric tons in 1969, 63,606 tons in 1970 and probably will decline further in 1971.

Although canned Satsuma orange production has shown no growth recently, citrus juice and related beverages have become increasingly popular over the past 5 years. The quantity of fresh Satsumas and summer oranges processed into juice in 1966-67 totaled 78,500 metric tons and by 1970-71 had risen to 185,000 tons. While this represents a significant increase, the volume is very small considering the size of the population. In view of recent difficulties in profitably disposing of the large crops as either fresh fruit or canned segments, juice production is expected to continue to grow.

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